



Among the total child population in the region, more than 45 percent belongs to the immigrants' second generation.

Population

Growth Characteristics

During the year 2006, the SCAG region added 213,000 residents, reaching a total of 18.5 million. This represents close to half of the population in the state and over 6 percent in the nation (Figure 1). Since the April 2000 Census, population in the region has increased by almost 2 million (or 12 percent). However, after achieving its largest annual increase in 2001 of approximately 350,000, population growth in the region has been slowing. The SCAG region has more population than any state in the nation with the exceptions of California, Texas and New York.

Figure 1

Population Increase: 2005 and 2006 (Thousands)

County	1990	2000	1/1/2005	1/1/2006	1/1/2007	2005 Increase		2006 Increase	
						Number	Percent	Number	Percent
Imperial	109.3	142.3	161.7	167.0	172.6	5.3	3.3%	5.6	3.4%
Los Angeles	8,863.0	9,519.3	10,191.0	10,257.9	10,331.9	66.9	0.7%	74.0	0.7%
Orange	2,410.6	2,846.2	3,050.4	3,071.9	3,098.1	21.5	0.7%	26.2	0.9%
Riverside	1,170.4	1,545.3	1,885.6	1,966.6	2,031.6	81.0	4.3%	65.0	3.3%
San Bernardino	1,418.3	1,710.1	1,948.4	1,993.9	2,028.0	45.5	2.3%	34.1	1.7%
Ventura	669.0	753.1	811.2	817.3	825.5	6.1	0.8%	8.2	1.0%
REGION	14,640.6	16,516.3	18,048.3	18,274.6	18,487.7	226.3	1.3%	213.1	1.2%
Rest of California	15,117.6	17,356.7	18,694.8	18,920.6	19,174.8	225.8	1.2%	254.2	1.3%
California	29,758.2	33,873.0	36,743.1	37,195.2	37,662.5	452.1	1.2%	467.3	1.3%
U.S.	248,709.8	281,421.9	295,134.8	298,024.8	300,888.8	2,890.0	1.2%	2,864.0	1.0%

Source: U.S. Census Bureau, 1990 and 2000 Census, and California Department of Finance

Since 1990, annual population growth in the region has varied significantly (Figure 2).¹ Average annual growth dropped from about 300,000 in 1991 to about 70,000 in 1995 due to the severe recession, and then resumed accelerated growth to reach 350,000 in 2001. Since 2001, despite a generally stable natural increase (births over deaths) of approximately 164,000 per year, total population growth in the region has been reduced from about 350,000 (over 2 percent growth rate) to about 220,000 (1.2 percent) per year. Specifically, between 2001



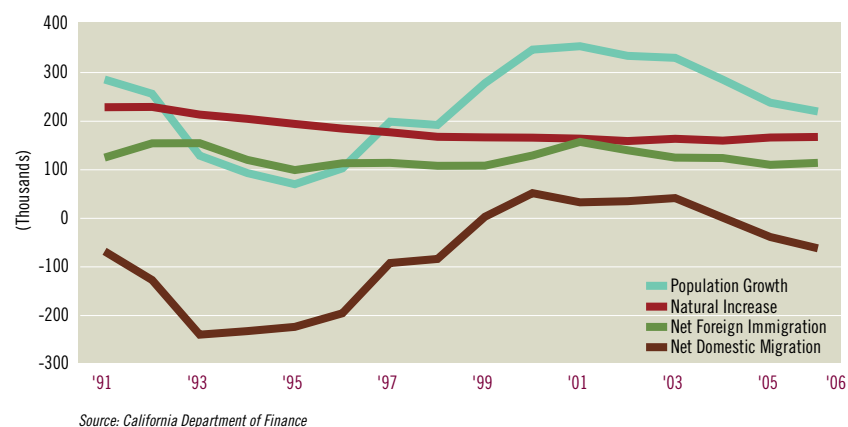
and 2006, the net foreign immigration into the region dropped from about 157,000 to 115,000. This is consistent with the trend that recent immigrants are becoming a little more dispersed throughout the nation and are increasingly less concentrated in historical gateway regions particularly Southern California. During the same period, domestic migration also decreased from about 33,000 net in-migration in 2001 to 62,000 net outmigration in 2006, i.e., there were 62,000 more people moving out of Southern California to the rest of the nation in 2006 than vice versa.

The reversal in domestic migration occurred when the job market in the region was actually improving and performing a little better than the rest of the nation (as discussed in the Employment Section). The turnaround in domestic migration could be due to the widening gap of cost of living between the region and the rest of the nation, and the overall economic recovery in the rest of the nation. For example,

between 2000 and 2006, overall cost of living as measured by the consumer price index rose by 23 percent in the region compared to the national average of 17 percent.² An important factor contributing to the widening gaps of cost of living is the relatively higher housing prices in the region. Between 2000 and 2006, median housing price jumped by 160 percent in the region while it increased less than 40 percent in the nation (see Figure 15 page 28).

Figure 2

**Population Growth by Types of Source
1991-2006**



In 2006, population growth in the region of 1.2 percent was slightly lower than that of the rest of the state (1.3 percent) in contrast to the previous track record of faster growth. Though the region as a whole continued to grow faster than the nation, its three coastal counties (Los Angeles, Orange and Ventura) grew at slightly lower rates than the national averages for the past three years. The three inland counties (Riverside, San Bernardino and Imperial) continued to grow two to three times faster than the nation. Among the nine largest metropolitan regions in the nation, Southern California experienced the second highest growth rate

between 2000 and 2006 following only the Dallas region (see Figure 122 page 145).

Population growth in the region in 2006 accounted for 46 percent of the total increase in the state. *Four of the top six California counties experiencing absolute population increase were in the SCAG region, including Los Angeles (1st), Riverside (2nd), San Bernardino (4th) and Orange counties (6th).*³ Two neighboring counties of the SCAG region also made it into the top ten, San Diego (3rd) and Kern (7th). Another neighboring county, Santa Barbara, increased only about 4,400 people during 2006. During 2006, the region reached another milestone in its growth history. Specifically, both Riverside and San Bernardino counties surpassed 2 million residents while the City of Los Angeles reached the 4 million mark.





As to the rate of growth, the three inland counties achieved significantly higher growth rates than the rest of the state (1.3 percent). Specifically, Imperial County achieved the highest growth rate of 3.4 percent in the state in 2006, followed by Riverside County (3.3 percent) while the neighboring Kern County ranked third.

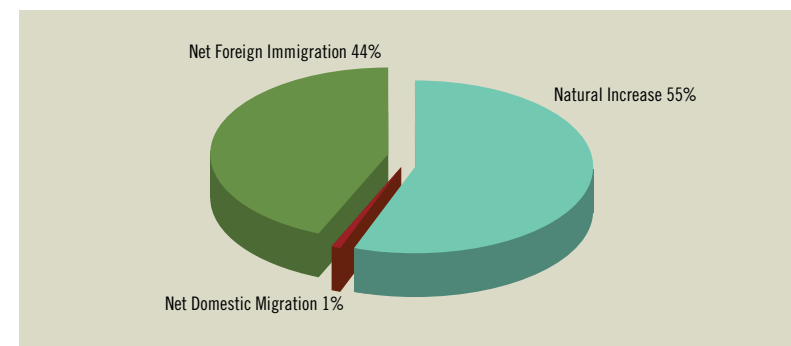
Among the top ten fastest growing cities under 300,000 in the state in 2006 based on absolute change, seven were from the SCAG region including the top four: Fontana, Santa Clarita, Irvine, and Victorville. In addition, the region also includes the top three fastest growing cities based on percentage change including Beaumont (21 percent), Imperial (17 percent) and Lake Elsinore (15 percent).⁴

In 2006, the Inland Empire (Riverside and San Bernardino counties) captured almost half (47 percent) of the total population growth in the region, significantly higher than their share of only 22 percent of the region's total population. Another 35 percent of the total growth

in the region in 2006 took place in Los Angeles County, lower than its population share of 56 percent.

As to the sources of population growth in the region between 2000 and 2006, over half (55 percent) was due to natural increase, 44 percent was from net foreign immigration and only 1 percent from net domestic migration (Figure 3). Within the region, natural increase, foreign immigration and domestic migration contributed differently to the population growth among different counties (Figure 4). Overall, natural increase contributed much more significantly to the growth in the three coastal counties (Los Angeles, Orange and Ventura) and Imperial than the Inland Empire (Riverside and San Bernardino) where net domestic immigration played a more significant role. While migration to the coastal counties consisted exclusively of foreign immigrants, migration to the Inland Empire was primarily domestic migrants who moved within the region (i.e. intra-regional migration), particularly from Los Angeles County.

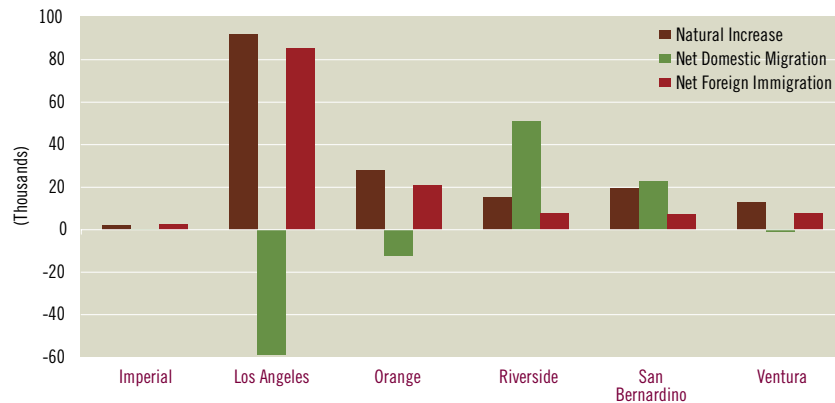
Figure 3
Population Growth by Types of Source
2000-2006



Source: California Department of Finance

Figure 4

Population Growth - Types of Source by County, 2000-2006
(Annual Average)



Source: California Department of Finance

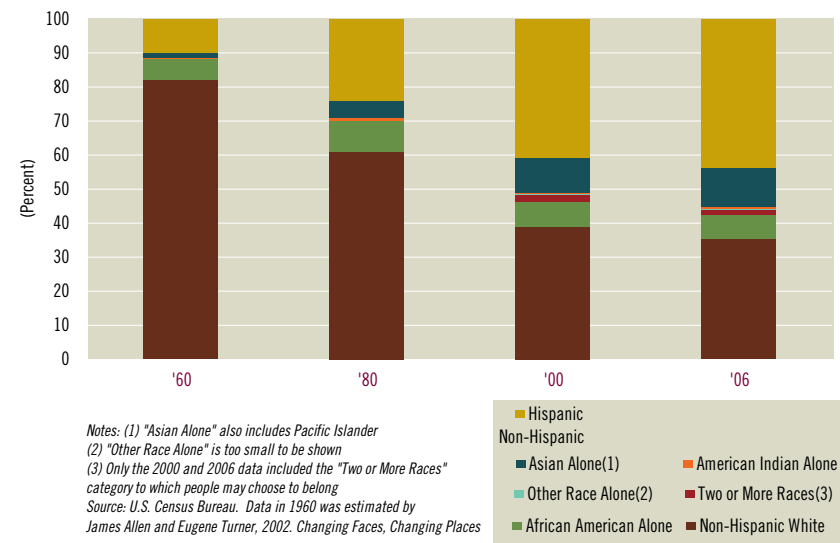
Demographic Dynamics

There are five important demographic dynamics at work in Southern California. They include the continuing change in the ethnic composition, longer settlement of the immigrant population, disproportionately higher but declining share of the nation's immigrant (legal or unauthorized) population, growing share of immigrants' second generation and the aging of the overall population. These five dynamics are interrelated and together they have significant implications for the future performance potential of Southern California. All five dynamics continued through 2006. As a result of these dynamics, the nativity, ethnic composition and age structure of the population in the region today diverge widely from that of the nation.⁵ The following provides a summary of the demographic dynamics that were discussed in further detail in the 2005 Report and the 2006 Report guest essay (with the exception of the dynamics on unauthorized immigrants that are introduced for the first time in this report).⁶

As to the transformation in ethnic composition, the share of the Hispanic population reached 44 percent in 2006, about a 4 percentage point increase from 2000 and a dramatic jump from only 10 percent in 1960 (Figure 5). The share of the Asian population increased from 2 percent in 1960 to almost 12 percent in 2006. Since 1960, the share of the non-Hispanic White population declined from about 80 to 39 percent in 2000 and 35.5 percent in 2006. The share of the African American population in the region was just below 7 percent in 2006. Since 2000, the vast majority (80 percent) of the growth in the region were Hispanics.⁷

Figure 5

Population by Race and Ethnicity



An important demographic dynamic is that the region's immigrant population has achieved longer settlement which has important implications for its overall level of socioeconomic well-being. In 2006, about 31 percent (5.5 million) of the region's total population were foreign-born



and they represented about 15 percent of the immigrants in the nation, markedly higher than the region's share of the total population in the nation at only 6.1 percent. Recent immigrants to the U.S. have increasingly pursued economic opportunities in areas where fewer immigrants had lived previously. As a result, Southern California's share of immigrant arrivals dropped from about 25 percent to 10 percent between 1990 and 2006. As to the share of the total population in the region, new immigrants increased from 4 percent in 1970 to 14 percent in 1990 then decreased to 11 percent in 2000, while the share of the settled immigrant population (arrived U.S. more than 10 years ago) increased continuously from just below 6 percent in 1970 to 20 percent in 2000. The level of socioeconomic well-being (e.g., educational attainment, household income, poverty rate, homeownership rate, etc.) of the immigrant population improves noticeably with the length of settlement.⁸ The maturing settlement of the immigrant population could bring positive performance outcomes for the region's future, particularly with supportive public policies.

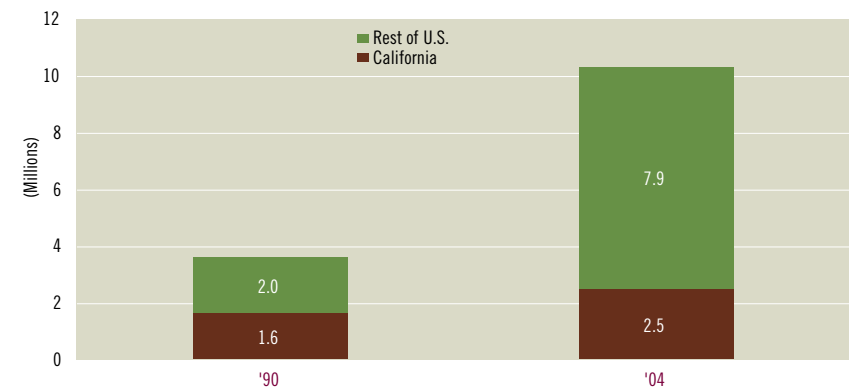
The growing share of settled immigrants also results in a growing share of the immigrants' second generation in the region, i.e. U.S.-born residents with at least one foreign-born parent. Currently, about 23 percent

(or 4.3 million) of the population in the region belongs to the immigrants' second generation.⁹ Among the total child population in the region, more than 45 percent belongs to the immigrants' second generation. Accordingly, the educational and occupational attainment of immigrants' second-generation, particularly children, will significantly impact the region's future performance.

Since 1990, unauthorized immigrants have been growing rapidly at the national level (Figure 6). Between 1990 and 2004, estimates of unauthorized immigrants in the nation grew from 3.6 million to 10.4 million. During this period, unauthorized immigrants grew from 1.6 million to 2.45 million in California, a 50-percent increase. However, they grew from 2 million to 7.9 million in the rest of the nation, almost four-fold. Since 1990, unauthorized immigrants have also expanded their migration network outside the traditional gateways such as Southern California, similar to their legal counterpart. In 2004, California's estimated 2.45 million unauthorized immigrants accounted for about a quarter of the national total, a significant decline from 42 percent in 1990.

Figure 6

Estimated Unauthorized Immigrants
(California vs. Rest of U.S.)

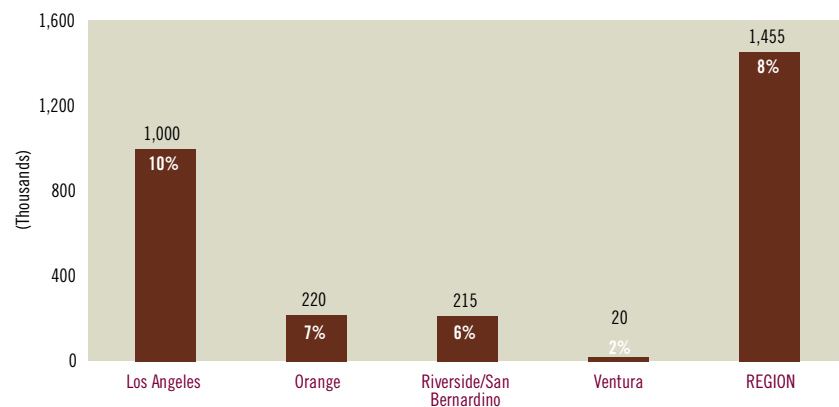


Source: Passel, J. S. 2005. *Unauthorized Immigrants*, Pew Hispanic Center

In the SCAG region, there were close to 1.5 million unauthorized immigrants in 2004, about 60 percent of the state total and 15 percent of the national total. The population share of unauthorized immigrants in the region at 8.4 percent was significantly higher than the rest of the state (5.4 percent) and the national average (3.6 percent). Unauthorized immigrants in the region were concentrated mainly in Los Angeles County, with a total of 1 million and accounting for 10 percent of the county's population (Figure 7).

Figure 7

Estimated Unauthorized Immigrants, 2004
(Number and Share of County/Region Population)



* Imperial County data not available
Source: Fortuny, K., & Jeffrey Passel, 2007. *The Characteristics of Unauthorized Immigrants in California, Los Angeles County, and the United States*, the Urban Institute

Unauthorized immigrants have distinct characteristics when compared with their legal counterpart and the natives. Using Los Angeles County as an example, first, the vast majority (72 percent) of unauthorized immigrants were in their prime working age between 18 and 49 years old in contrast to only 34 percent for the U.S. born. Unauthorized immigrants had higher labor force participation rates particularly for males



at 94 percent. In addition, unauthorized immigrants had much lower educational attainment with only 42 percent having at least a high school education versus 62 percent for legal immigrants and 92 percent for the native-born. Consequently, the average incomes for unauthorized immigrant families at \$26,300 were significantly lower than the U.S. born families at \$50,300 (Figure 8).

Figure 8

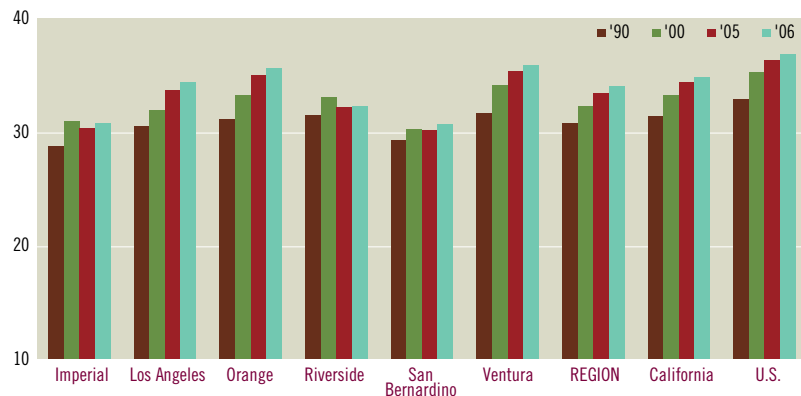
Comparison among U.S. Born, Legal and Unauthorized Immigrants for Los Angeles County, 2004

	U.S. Born	Legal Immigrants	Unauthorized Immigrants
Population Share of 18-49 Years	34%	49%	72%
Labor force participation (male)	81%	83%	94%
Labor force participation (female)	72%	58%	61%
Education: high school graduate or above	92%	62%	42%
Family income (average)	\$50,300	\$39,700	\$26,300

Source: Fortuny, K., & Jeffrey Passel, 2007. *The Characteristics of Unauthorized Immigrants in California, Los Angeles County, and the United States*, the Urban Institute

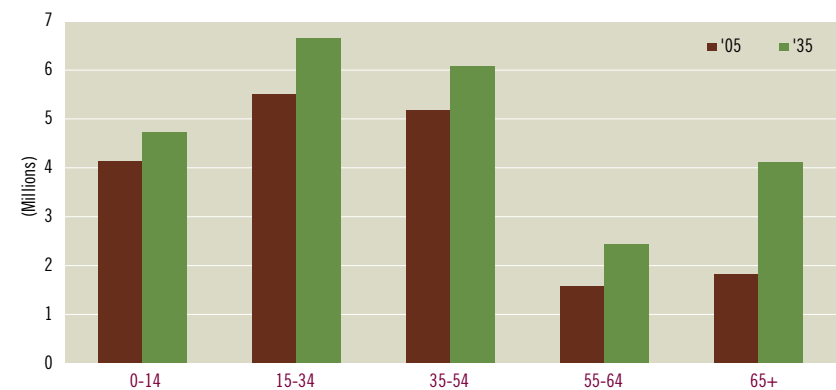
As to the aging of the overall population, the median age continued to rise over time as in the rest of the nation (Figure 9). Median age increased from 30.7 in 1990 to 32.2 in 2000 and 33.5 in 2006.¹⁰ In 2006, the region continued to be younger than the state (34.4) and the nation (36.4). Among the nine largest metropolitan regions in the nation, the SCAG region continued to be the second youngest in terms of median age, following the Dallas region (33.2) with Boston the oldest (38.2). The growing share of the immigrants' second generation contributed to the slower pace of aging process in Southern California than in the rest of the nation. The share of people 65 years and over in the region increased slightly from 9.6 percent to 10.2 percent between 2000 and 2006. However, with the aging of the baby boomer generation, the population 65 years or older in the region is expected to increase by 2.3 million to a total of 4.1 million, about 16 percent of the total population in 2035 (Figure 10).¹¹

Figure 9
Median Age



Source: U.S. Census Bureau, 1990 and 2000 Census, 2005 and 2006 American Community Survey

Figure 10
Population by Age Group



Source: Southern California Association of Governments

